

John Shreeves and Partners Limited

Directors' report and financial statements

30 April 1995

Registered number 1575164



John Shreeves and Partners Limited

Directors' report and financial statements

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John Shreeves and Partners Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 1995.

Principal activities

The main activity of the company during the year was carrying on the business of quantity surveyors, building surveyors and project managers.

Business review

The very deep recession in building activity continued throughout the year to 30 April 1995, albeit some sections improved which allowed an increase in turnover during the year. A further slight improvement in orders is anticipated for next year, but no general upturn in the construction industry is yet on the horizon.

The company continues with its policy of internal planning and improvement in systems to be prepared to take advantage of any increased activity and the directors remain confident that the company is well placed in the short and medium term.

Significant changes in fixed assets

Changes in fixed assets are shown in note 8 to the financial statements.

Proposed dividend

The directors do not recommend the payment of a dividend (1994:£nil).

The profit for the year retained in the company is £49,892 (1994:£13,958).

Directors and directors' interests

The directors who held office during the year were as follows:

JW Shreeves
PR Clack
EJ Lawrence
GT Wisbey
J Sipsma
G Welfare

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company. Their interests in the shares of the holding company, John Shreeves Holdings Limited, are disclosed in that company's financial statements. No rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families during the year.

John Shreeves and Partners Limited

Directors' report


Political and charitable contributions

The company made no political contributions during the year. Donations to UK charities amounted to £715.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


JW Shreeves
Secretary

66 Turnmill St
London EC1M 5RR

22 DEC 1995

John Shreeves and Partners Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Report of the auditors to the members of John Shreeves and Partners Limited

We have audited the financial statements on pages 5 to 17.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

*Chartered Accountants
Registered Auditors*

19th January, 1996

John Shreeves and Partners Limited

Profit and loss account for the year ended 30 April 1995

	<i>Note</i>	1995 £	1994 £
Turnover	<i>1</i>	2,160,855	1,599,860
Cost of sales		(1,532,700)	(1,016,624)
Gross profit		628,155	583,236
Distribution costs		(144,838)	(131,152)
Administrative expenses		(398,122)	(410,995)
Operating profit		85,195	41,089
Other interest receivable and similar income	<i>5</i>	228	7,538
Interest payable and similar charges	<i>6</i>	(9,196)	(12,574)
Profit on ordinary activities before taxation	<i>2-4</i>	76,227	36,053
Tax on profit on ordinary activities	<i>7</i>	(26,335)	(22,095)
Profit on ordinary activities after taxation		49,892	13,958
Retained profit brought forward		75,726	61,768
Retained profit carried forward		125,618	75,726

Results are derived from continuing activities, and are on the basis of historical cost.

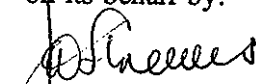
There are no gains or losses in either the current or previous year other than those included in the profit and loss account.

John Shreeves and Partners Limited

Balance sheet
at 30 April 1995

	Note	1995 £	1994 £
Fixed assets			
Tangible assets	8	111,444	130,886
Current assets			
Work in progress	9	249,817	215,446
Debtors	10	397,079	499,110
Cash at bank and in hand		95,671	30,058
		<u>742,567</u>	<u>744,614</u>
Creditors: amounts falling due within one year	11	(478,383)	(566,791)
Net current assets		<u>264,184</u>	<u>177,823</u>
Total assets less current liabilities		<u>375,628</u>	<u>308,709</u>
Creditors: amounts falling due after more than one year	12	(37,803)	(4,769)
Provisions for liabilities and charges	13	(211,207)	(227,214)
Net assets		<u>126,618</u>	<u>76,726</u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Profit and loss account		125,618	75,726
Total shareholders' funds		<u>126,618</u>	<u>76,726</u>

These financial statements were approved by the board of directors on **22 DEC** 1995 and were signed on its behalf by:


JW Shreeves
Director

John Shreeves and Partners Limited

Cash flow statement for the year ended 30 April 1995

	Note	1995		1994	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	17	164,061		(240,780)	
Return on investments and servicing of finance					
Interest received		228		7,538	
Interest paid		(3,656)		(1,534)	
Interest element of finance lease rental payments		(5,115)		(11,040)	
Net cash outflow from return on investment and servicing of finance		(8,543)		(5,036)	
Taxation					
UK corporation tax paid		(33,888)		(20,720)	
Investing activities					
Purchase of tangible fixed assets		(23,133)		(22,946)	
Sale of tangible fixed assets		18,550		6,109	
Net cash (outflow) from investing activities		(4,583)		(16,837)	
Net cash inflow/(outflow) before financing		117,047		(283,373)	
Financing					
Capital element of finance lease rental payments	19	51,434		60,632	
Net cash outflow from financing		51,434		60,632	
Increase/(decrease) in cash and cash equivalents	18	65,613		(344,005)	
		117,047		(283,373)	

John Shreeves and Partners Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Short leasehold and improvements to

leasehold property	-	5 years
Plant and machinery	-	5 years
Motor vehicles	-	5 years

A full year's depreciation is charged in the year of acquisition, with no charge in the year of disposal.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

John Shreeves and Partners Limited

Notes (continued)

1 Accounting policies (continued)

Work in progress

Work in progress is stated at the lower of cost and net realisable value. For work in progress, cost includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover and provision for future costs

Turnover is derived from the provision of services as quantity surveyors and project managers in the United Kingdom.

Invoices are rendered in accordance with an agreed timetable and in certain cases the relevant work may be performed after the date of the invoice. In such cases, provision is made at the date of invoicing for the costs to be incurred subsequently.

2 Profit on ordinary activities before taxation

	1995 £	1994 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit	18,050	20,000
Other services	2,000	8,857
Depreciation and other amounts written off tangible fixed assets:		
Owned	13,523	21,530
Leased	68,673	66,329
Hire of office equipment - rentals payable under operating leases	3,250	3,942

John Shreeves and Partners Limited

Notes (continued)

3 Remuneration of directors

	1995	1994
	£	£
Directors' emoluments:		
Remuneration as executives	<u>216,024</u>	<u>212,391</u>

The emoluments, excluding pension contributions, of the chairman were £25,314 (1994:£19,423) and those of the highest paid director were £54,883 (1994:£54,554).

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid directors) were within the following ranges:

	Number of directors	
	1995	1994
£ 5,001 - £10,000	-	-
£10,001 - £15,000	2	2
£15,001 - £20,000	-	1
£20,001 - £25,000	-	-
£25,001 - £30,000	1	-
£50,001 - £55,000	<u>3</u>	<u>3</u>

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1995	1994
Technical	28	9
Administrative	<u>9</u>	<u>22</u>
	<u>37</u>	<u>31</u>

The aggregate payroll costs of these persons were as follows:

	1995	1994
	£	£
Wages and salaries	720,505	724,815
Social security costs	69,938	69,573
Other pension costs (see note 16)	<u>35,757</u>	<u>39,951</u>
	<u>826,200</u>	<u>834,339</u>

John Shreeves and Partners Limited

Notes (continued)

5 Other interest receivable and similar income

	1995 £	1994 £
Bank interest	<u>228</u>	<u>7,538</u>

6 Interest payable and similar charges

	1995 £	1994 £
On bank loans, overdrafts and other loans wholly repayable within five years	3,656	1,534
Finance charges payable in respect of finance leases and hire purchase contracts	<u>5,540</u>	<u>11,040</u>
	<u>9,196</u>	<u>12,574</u>

7 Taxation

	1995 £	1994 £
UK corporation tax at 25% (1994:25%) on the profit for the year on ordinary activities	<u>26,335</u>	<u>22,095</u>

John Shreeves and Partners Limited

Notes (continued)

8 Tangible fixed assets

	Short leasehold and leasehold improvements	Plant and machinery	Motor vehicles	Total
	£	£	£	£
<i>Cost</i>				
At beginning of year	224,095	131,285	333,377	688,757
Additions	-	7,884	70,450	78,334
Disposals	-	-	(60,464)	(60,464)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	224,095	139,169	343,363	706,627
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation and diminution in value</i>				
At beginning of year	224,095	117,906	215,870	557,871
Charge for year	-	13,523	68,673	82,196
On disposals	-	-	(44,884)	(44,884)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	224,095	131,429	239,659	595,183
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 April 1995	-	7,740	103,704	111,444
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 1994	-	13,379	117,507	130,886
	<hr/>	<hr/>	<hr/>	<hr/>

Included in the total net book value of motor vehicles is £74,976 (1994:£106,917) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £32,706 (1994:£66,329).

John Shreeves and Partners Limited

Notes (continued)

9 Work in progress

	1995 £	1994 £
Long term contract balances	<u>249,817</u>	<u>215,446</u>

10 Debtors

	1995 £	1994 £
Trade debtors	311,168	337,764
Other debtors	16,296	10,344
Prepayments and accrued income	<u>69,615</u>	<u>151,002</u>
	<u>397,079</u>	<u>499,110</u>

John Shreeves and Partners Limited

Notes (continued)

11 Creditors: amounts falling due within one year

	1995	1994
	£	£
Obligations under finance leases and hire purchase contracts (see note 12)	21,764	50,606
Trade creditors	30,339	124,432
Amounts owed to parent undertaking	245,028	246,474
Other creditors including taxation and social security:		
Corporation tax	26,532	34,085
Other taxes and social security	107,428	72,235
	<hr/>	<hr/>
Taxation and social security	133,960	106,320
Accruals and deferred income	47,292	38,959
	<hr/>	<hr/>
	478,383	566,791
	<hr/>	<hr/>

12 Creditors: amounts falling due after more than one year

	1995	1994
	£	£
Obligations under finance leases and hire purchase contracts	37,803	4,769
	<hr/>	<hr/>

John Shreeves and Partners Limited

Notes (continued)

12 Creditors: amounts falling due after more than one year (continued)

The maturity of obligations under finance leases and hire purchase contracts, net of future finance charges, is as follows:

	1995 £	1994 £
Within one year	21,764	50,606
In the second to fifth years	37,803	4,769
	<u>59,567</u>	<u>55,375</u>

13 Provisions for liabilities and charges

i) Provision for future costs

	£
At beginning of year	227,214
Utilised during year	(16,007)
	<u>211,207</u>

ii) Deferred tax

A deferred tax asset of £27,000 (1994: £25,000) relating to capital allowances on fixed assets has not been recognised in the balance sheet.

14 Called up share capital

	1995 £	1994 £
<i>Authorised</i>		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

John Shreeves and Partners Limited

Notes (continued)

15 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the financial year	49,892	13,958
Opening shareholders' funds	<u>76,726</u>	<u>62,768</u>
Closing shareholders' funds	<u>126,618</u>	<u>76,726</u>

16 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £35,757 (1994:£39,951). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

17 Reconciliation of trading profit to net cash (outflow)/inflow from operating activities

	1995 £	1994 £
Trading profit	85,195	41,089
Depreciation charge	82,196	87,859
(Profit)/loss on sale of tangible fixed assets	(2,970)	5,076
(Increase)/decrease in work in progress	(34,371)	(49,022)
(Increase)/decrease in debtors	102,031	(130,719)
Increase/(decrease) in creditors excluding finance leases and similar hire purchase contracts	(52,013)	240,237
Provision for future costs	<u>(16,007)</u>	<u>(435,300)</u>
Net cash (outflow)/inflow from operating activities	<u>164,061</u>	<u>(240,780)</u>

18 Analysis of changes in cash and cash equivalents

	Cash £
Balance at 30 April 1994	30,058
Net cash inflow	<u>65,613</u>
Balance at 30 April 1995	<u>95,671</u>

John Shreeves and Partners Limited

Notes (continued)

19 Analysis of changes in financing

	Finance leases £
Balance at 30 April 1994	
New loans	55,375
Repayment of capital	55,626
	(51,434)
Balance at 30 April 1995	<u>59,567</u>

20 Transactions involving directors

The company leased a part of its operating premises from three of its directors (John Shreeves, Peter Clack and Edward Lawrence) under an extension of a 5 year lease agreement effective from August 1986. In the year ended 30 April 1995 the rent payable was £30,545 (1994:£30,085).

21 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	1995		1994	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	-	-	-
In the second to fifth years inclusive	3,750	-	3,250	6,079
Over five years	-	-	19,500	-
	<u>3,750</u>	<u>-</u>	<u>22,750</u>	<u>6,079</u>

22 Parent company

The parent and ultimate parent company is John Shreeves Holdings Limited, a company registered in England and Wales. John Shreeves Holdings Limited is the parent company of the only group of companies for which group accounts are drawn up and of which the company is a member. Copies of the group accounts may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff.

John Shreeves and Partners Limited

Detailed profit and loss account for the year ended 30 April 1995

	1995	1994
	£	£
Turnover		
Direct costs	2,160,855	1,599,860
Opening work in progress		
Quality assurance	215,446	166,424
Subcontractors cost	22,220	13,813
Recoverable disbursements	95,165	174,095
Salaries and NHI	10,288	10,634
Staff welfare	826,199	678,883
Directors' remuneration	50,478	44,065
Decrease in provision for future costs	172,238	155,456
Management charge	(16,007)	(435,300)
Discounts received	407,100	424,000
	(610)	-
Less: Closing work in progress	1,782,517	1,232,070
	(249,817)	(215,446)
	(1,532,700)	(1,016,624)
Gross profit - 36% (1993 - 30%)	628,155	583,236
Distribution costs		
Motor running expenses	32,568	28,782
Travel and entertainment	40,680	35,690
Depreciation - motor cars	68,673	66,680
Bad debts	2,917	-
	(144,838)	(131,152)
Administration expenses		
Advertising	22,250	10,304
Insurance	106,002	114,689
Office running costs	38,775	41,400
Repairs and maintenance	9,054	16,884
Rent and rates	92,836	89,177
Telephone, fax and telex	16,791	17,488
Sundry office costs	17,876	17,878
Audit and accountancy	20,050	28,857
Other professional fees	1,355	-
Printing, postage and stationery	32,898	28,063
Consultancy fees	20,000	20,000
Depreciation - leasehold building and plant and machinery	13,523	21,179
(Profit)/loss on sale of fixed assets	(2,969)	5,076
Safety and security	2,211	-
Contract hire	7,470	-
	(398,122)	(410,995)
Trading profit	85,195	41,089
Interest receivable	228	7,538
Interest payable	(9,196)	(12,574)
Profit on ordinary activities before taxation	76,227	36,053

This page does not form part of the statutory financial statements.